

REMARKS:

Claims 7-12 remain in the application for consideration of the Examiner.

By this Amendment, claim 7 has been amended to more particularly point out and distinctly claim the invention. Applicants expressly reserve the right to pursue broader claims in this or another application.

REJECTIONS UNDER 35 U.S.C. § 103(a):

Claims 7-12 stand rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 5,960,414 to Rand, et al. ("Rand"). However, because Rand fails to disclose or suggest all of the limitations of claims 7-12, Rand cannot render these claims obvious.

For example, claim 7 as amended recites:

A computer-implemented system for redistributing a part, comprising one or more processing units operable to execute one or more software components to:

define a plurality of locations;

establish an actual inventory of a plurality of parts among the locations;

establish a desired distribution of the parts among the locations;

determine a demand for the parts at each location using the actual inventory and the desired distribution;

add a dummy location;

determine a plurality of paths, a path being operable to transfer a part from one location to another location, **wherein the plurality of paths include at least one path to the dummy location that is associated with an infinite transfer cost;**

generate a transfer function describing a cost of transferring a plurality of excess parts along the paths; and

optimize the transfer function to achieve the desired distribution of the parts at minimum cost.

(Emphasis added). Thus, claim 7 as amended recites determining paths along which a part can be transferred between locations and generating a transfer function describing a cost of transferring excess parts along the paths, where the locations include a dummy location and the paths include a path to the dummy location having an infinite transfer

cost. Claims 8-12 depend from claim 7, and therefore include the same limitations by reference.

Rand fails to disclose or suggest all of the limitations of claim 7, including the limitations mentioned above. Specifically, Rand is silent with regard to a dummy location, where a path to the dummy location has an infinite transfer cost. As such, it necessarily follows that Rand also fails to disclose or suggest the claimed limitations related to generating and/or optimizing a transfer function describing a cost of transferring excess parts along the paths, where the locations include a dummy location having an infinite transfer cost.

Since Rand fails to disclose or suggest all of the limitations of claim 7, Rand cannot render claim 7 obvious. Similarly, since claims 8-12 depend from claim 7 and include all of the limitations of claim 7, Rand cannot render claims 8-12.

Claims 8-12 are further considered patentably distinct over Rand since these claims include additional limitations that are not disclosed or suggested by Rand. For example, claim 8 recites “the transfer function describes the cost being associated with transferring a part along a plurality of alternative paths” and “the one or more processing units are operable to execute the one or more software components further to optimize the transfer function by minimizing the transfer function.” Claim 9 recites “determine the paths by sending a notification if there is no path between one location and another location.” Claim 10 recites “establish the desired distribution by calculating an optimized distribution of the excess parts among the locations.” Claim 12 recites “satisfy a constraint requiring that the parts transferred to a location and the parts transferred from the location satisfy the demand for the parts at the location.” None of these limitations is found in Rand, and the Office Action includes no explanation as to how Rand is considered to teach these limitations. Clarification is therefore respectfully requested if the rejection of these claims is maintained.

Finally, the allegation that the present claims set forth intended use recitations that are not given patentable weight is respectfully traversed. It is noted that there is no basis or authority cited to support the general allegation presented in the Office Action regarding

an alleged recitation of an intended use. It is respectfully submitted that it would be improper to fail to give patentable weight to all of the limitations of the present claims.

For the reasons set forth herein, the Applicant submits that claims 7-12 are not rendered obvious by Rand. The Applicant further submits that claims 7-12 are in condition for allowance. Therefore, the Applicant respectfully requests that the rejection of claims 7-12 be reconsidered and that claims 7-12 be allowed.

THE LEGAL STANDARD FOR OBVIOUSNESS REJECTIONS UNDER 35 U.S.C. § 103:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); M.P.E.P. § 2142. Moreover, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (CCPA 1974). If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); M.P.E.P. § 2143.03.

With respect to alleged obviousness, there must be something in the prior art as a whole to suggest the desirability, and thus the obviousness, of making the combination. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1986). In fact, the absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997). The mere fact that the prior art can be combined or modified does not make the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. The consistent criterion for determining obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. Both the suggestion and the expectation of success must be founded in the prior art, not in the Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); *In re O'Farrell*, 853 F.2d 894 (Fed. Cir. 1988); M.P.E.P. § 2142.

A recent Federal Circuit case makes it clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35.

CONCLUSION:

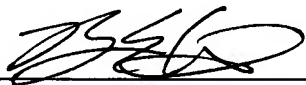
In view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

Enclosed herewith is a Request for Continued Examination, which includes an authorization to charge the \$790.00 fee for an RCE to **Deposit Account No. 500777**. If an extension of time is necessary for allowing this Amendment to be timely filed, this document is to be construed as also constituting a Petition for Extension of Time Under 37 C.F.R. § 1.136(a) to the extent necessary. Any fee required for such Petition for Extension of Time should be charged to **Deposit Account No. 500777**.

Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.

Respectfully submitted,

4/11/06
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